

Export Finance Systems, Inc.

Memorandum

To: Jon Himoff
Fritz Companies, Inc.

From: John Olsen
Bob Martin

Date: May 8, 1996

Re: Term Sheet

Jon:

Per your request, the attached Term Sheet represents our thinking on the issues that we discussed on the telephone today. We look forward to discussing them with you and your management in more detail.

We are excited about the opportunity to work together to offer export finance services to your customers and prospects.

Term Sheet between Fritz Companies, Inc. and Export Finance Systems, Inc.

Strategic **I. Form of Strategic Relationship**

Export Finance Systems, Inc. ("EFS") agrees to provide its export finance systems, expertise and services in conjunction with Fritz Companies, Inc. ("Fritz") on an "exclusive" basis as follows:

- (a) EFS will work with Fritz marketing and sales staff to offer export financing services to Fritz's existing export customers or prospective new customers on a national basis.
- (b) Fritz will have the right to remarket EFS services under the Fritz name, should it choose to do so, provided it is co-ordinated with EFS's marketing efforts with participating financial institutions.
- (c) Fritz understands that not all EFS export finance customers will be using Fritz freight forwarding and logistic services; however, EFS agrees to not enter into a strategic marketing relationship with another freight forwarder during the term of this agreement.
- (d) EFS will attempt to promote Fritz's transportation logistic services to its customers and prospects whenever possible.
- (e) Fritz will agree to only offer export finance services through EFS during the term of this agreement.
- (f) Fritz will make available access to its marketing, systems and operating personnel in order to maximize the potential opportunity to promote EFS's services as widely as possible.

II. Systems Development and Equity Ownership

EFS and Fritz will agree that Fritz will provide its systems development staff to help design, develop and program EFS's computerized export finance system on the following basis:

- (a) Fritz will develop the system to meet EFS's design specifications, and it is understood that the system which is developed by Fritz will be the property of EFS.
- (b) The agreed upon value of Fritz's contribution of systems development and computer capabilities will be compensated to Fritz by EFS in the form of equity ownership of EFS stock.
- (c) EFS's business plan is based on a total capitalization of \$5,000,000 of which approximately \$1,000,000 would be used to purchase computer software and hardware (hardware-approximately \$350,000, custom software-approximately \$500,000, some of which has already been developed by EFS, and standard administrative software-approximately \$150,000). Based on our current discussions with financial investors, \$1,000,000 of investor contribution would be equal to between 10-15% of the equity of EFS.